UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF OHIO WESTERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

Judge Beckwith

Magistrate Judge Hogan

VS.

Case No. C-1-01-486

CINCINNATI REDS, a limited partnership,

Defendant.

JOINT STATUS REPORT^{1/}

Plaintiff United States of America and defendant Cincinnati Reds, by their undersigned attorneys, make this joint status report pursuant to this Court's Order dated November 26, 2001.

The parties described the status of settlement negotiations in their Joint Motion to Stay Proceedings Pending Settlement, filed November 20, 2001, and in their monthly Joint Status Reports thereafter. The contemplated settlement would resolve this case and numerous cases in other venues (all of which are effectively stayed) and many administrative claims that are either pending before the Internal Revenue Service or that are likely to be filed with the IRS in the future.

Negotiators for all Major League Baseball Clubs and negotiators for the

Department of Justice and Internal Revenue Service have reached agreement as to all significant

The parties inadvertently failed to file a report at the beginning of September and request the Court to consider this report as covering August and September, 2003.

issues, with no more than one or two minor matters still awaiting resolution. The draft settlement document now contains more than 20 pages of single-spaced text, with a few hundred pages of attachments. Negotiators for the Clubs are proposing minor textual changes which, they hope, will satisfy the last concern of the IRS negotiators. If so, the Government can begin its process for final review and approval, which, because of the magnitude and complexity of this settlement, will require significant time.

The parties continue to believe that proceeding with this litigation would not be a judicious use of the Court's or the parties' resources. They therefore jointly ask the Court to make no change in the November 26, 2001 Order staying proceedings.

Dated: October 6, 2003 Dated: October 6, 2003

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